

March 5, 2002

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**HEARING OFFICER AND ARBITRATOR RATE STRUCTURE
(3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve a revised per diem rate of \$650, to be effective upon Board approval of new Agreements Regarding Services as Hearing Officer for County Civil Service Commission and new Agreements to Provide Mediation, Fact-Finding or Arbitration Services for County's Employee Relations Commission.
2. Instruct the Civil Service Commission and Employee Relations Commission to request Board approval of new agreements with hearing officers and arbitrators after the commissions have conducted a search for the best qualified professional neutrals available.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The Employee Relations Commission and the Civil Service Commission maintain Board approved panels of professional neutrals willing to serve where appropriate as hearing officers or arbitrators. Each neutral is currently compensated under a contract for services rendered at the rate of \$450 per diem. This rate was last adjusted in 1991. A review of rates paid by ten public agencies to third party neutrals (see Attachment) indicates that per diem rates range from \$450 (the City of Los Angeles Civil Service Commission) to as much as \$1,500. The survey of 10 public agencies, including the State of California Mediation Service, revealed that the majority of public agencies surveyed do not have a set agency fee schedule but rather pay the rate charged by the hearing officer or arbitrator.

The Chief, Civil Service Commission and Employee Relations Commission notes that recent court decisions have shown the need for accurate, detailed hearing officer reports, especially in cases where subsequent litigation or appeals to agencies such as the Equal Employment Opportunities Commission or the Fair Employment and Housing Commission are likely to occur. Presently there is a three to six month wait to schedule hearings with experienced, well-qualified hearing officers who have proven to be agreeable to both parties. The experienced third party neutrals, who currently have contracts with the County, schedule County cases last, due primarily to current per diem rates which are low in comparison to those paid by other agencies.

Implementation of these recommended actions will aid in reducing scheduling time of hearings, attract more experienced third party neutrals thereby enhancing the settlement of employee relations cases.

Implementation of Strategic Plan Goals

These recommended actions will promote organizational effectiveness through the prompt attention to and resolution of employee relations matters thereby improving the relationship between the County and its employees and assuring uninterrupted quality services to the public.

FISCAL IMPACT/FINANCING

The additional cost is estimated to be approximately \$100,000 annually.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The County Code provides for the establishment and maintenance of an adequate list of impartial mediators, fact-finders and arbitrators.

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IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of this recommendation will reduce the scheduling time for hearings and arbitrations and facilitate attracting experienced neutrals to hear such cases.

Respectfully submitted,

DAVID E. JANSSEN
Chief Administrative Officer

DEJ:PHS
GL:pb

Attachment

c: Executive Officer, Board of Supervisors
County Counsel
Auditor-Controller
Employee Relations Commission
Civil Service Commission

Hearing Officer and Arbitrator Rate Survey

The following summarizes the hearing officer/arbitrator survey results:

<u>Agency</u>	<u>Per Diem Rates</u>
Metropolitan Transit Authority*	\$1,000 - \$1,300/case (Average \$1,200)
Los Angeles Unified School District**	\$ 575 - \$ 750 (Average \$650)
City of LA - Civil Service Commission***	\$ 450 - 4 or more hrs.; \$225 less than 4 hrs.
City of LA - Employee Relations Board*	\$ 600 - \$1,200
American Arbitration Association****	\$ 600 - \$1,500
State of California Mediation Service*	\$ 800 - \$1,200
Orange County *	\$ 750 - \$1,000
Riverside County*	\$ 800 - \$1,000
San Bernardino - Civil Service Commission	\$ 600 (set rate)
Ventura County*	\$ 750 - \$1,000

Notes:

- * Hearing Officer sets rate. Range shown reflects actual rates paid.
- ** Rate is negotiated and finalized with hearing officer/arbitrator upon becoming a panel member. Range shown reflects actual rates paid.
- *** Fee schedule set by City of Los Angeles Civil Service Commission. Commission currently is studying a proposal to increase the fees paid to hearing officers.
- **** Range of rates most frequently requested by Association members.